

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended, Be Printed Engrossed and Be Referred to the Committee on Ways and Means
Vote:	Yeas: Kotek, Thompson, Bates, Kruse, Shields, Morse, Greenlick, Monnes Anderson, Freeman
	Nays: 0
	Exc.: 0
Prepared By:	Brian Nieuburt, Committee Administrator
Meeting Dates:	4/27, 5/4, 5/11, 5/16

WHAT THE MEASURE DOES: Establishes Oregon Integrated and Coordinated Health Care Delivery System (System) administered by the Oregon Health Authority (OHA); requiring Coordinated Care Organizations (CCOs) be accountable for care management and provision of integrated and coordinated health care, managed within global budgets. Requires OHA to regularly report to the Oregon Health Policy Board, Governor and Legislative Assembly on progress of payment reform and delivery system change. Describes qualification criteria for CCOs to be adopted by rule by OHA, including governance structure. Requires OHA to establish alternative payment methodologies. Requires OHA to develop standards for the utilization of patient centered primary care homes. Stipulates the inclusion of individuals who are dually eligible for Medicaid and Medicare. Requires OHA to adopt by rule consumer and provider protections, and monitor and enforce protections. Requires OHA to identify outcome and quality measures, and benchmarks to be evaluated and reported. Requires OHA to develop CCO qualification criteria, global budgeting process and contract dispute process to be presented to the Legislative Assembly no later than February 1, 2012. Describes provisions for transition to System. Requires OHA, in consultation with the Department of Consumer and Business Services (DCBS), to propose recommendations regarding financial reporting requirements to the Legislative Assembly. Requires OHA to develop recommendations for remedies to contain health care costs that address defensive medicine, overutilization and medical malpractice. Requires OHA to apply for waivers necessary to obtain federal participation in System. Requires the Home Care Commission to recruit, train, certify and refer community health workers and personal health navigators to be used by CCOs. Describes relationship between OHA, CCOs and county governments. Describes contract requirements between OHA and CCOs. Specifies individuals required to enroll in CCOs. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- System implementation and transition timeline and processes
- Potential cost savings regarding defensive medicine, overutilization and medical malpractice
- Relationships between CCOs, OHA and county governments
- CCO regulatory oversight by OHA and DCBS
- Transparency of OHA and CCO governance and decision-making
- Funding streams to be utilized in System
- Legislative oversight of System implementation
- Explanation of desired amendments

EFFECT OF COMMITTEE AMENDMENT: Replaces measure.

BACKGROUND: Health care has become increasingly unaffordable for individuals, businesses and the state. For the 2011-2013 biennium, Oregon faces a shortfall of approximately \$850 million for health care services provided by the state. Spending on human services and Medicaid is expected to claim nearly 26 percent of the state's budget; a five percent increase over the past ten years. House Bill 3650-A directs OHA to develop a System for Medicaid recipients in which services will be provided by CCOs. CCOs will operate within a global budget and will be responsible for coordinating the delivery of physical, behavioral and oral health care services.

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This summary has not been adopted or officially endorsed by action of the committee.